

AMENDED IN ASSEMBLY SEPTEMBER 4, 2009

SENATE BILL

No. 499

Introduced by Senator Ducheny

February 26, 2009

~~An act to amend Section 1341.45 of the Health and Safety Code, relating to health care coverage. An act to amend Sections 130060 and 130061 of, and to add and repeal Section 130022 of, the Health and Safety Code, relating to health facilities, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 499, as amended, Ducheny. ~~Managed Care Administrative Fines and Penalties Fund; California Major Risk Medical Insurance Program. Hospitals; seismic safety.~~

(1) Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, establishes, under the jurisdiction of the Office of Statewide Health Planning and Development, a program of seismic safety building standards for certain hospitals constructed on and after March 7, 1973. Existing law authorizes the office to assess an application fee for the review of facilities design and construction, and requires that full and complete plans be submitted to the office for review and approval.

Existing law requires that, after January 1, 2008, any general acute care hospital building that is determined to be a potential risk of collapse or pose significant loss of life be used only for nonacute care hospital purposes, except that the office may grant a 5-year extension under prescribed circumstances. Existing law also allows the office to grant an additional 2-year extension to the January 2008 deadline in specified circumstances.

This bill would also permit a hospital to receive the additional 2 year deadline extension if alternative prescribed conditions are met.

(2) Under existing law, if an extension is granted, the hospital owner is required to submit periodic reports on compliance. Under existing law, an owner of a general acute care hospital that is classified as a nonconforming Structural Performance Category-1 (SPC-1) building, who has requested an extension of the January 1, 2008, deadline, is required to submit a report with prescribed information no later than June 30, 2011.

This bill would, instead, require that the report be submitted by all owners of a general acute care hospital that is classified as a nonconforming SPC-1 building. This bill would make the report due to the office no later than November 1, 2010, and would require annual updates thereafter, as specified. This bill would also prescribe additional information to be included on the report for each building that is planned for retrofit or replacement and for a building or buildings to be removed from acute care service.

This bill would require the office to make prescribed information from the reports available on its Internet Web site within 90 days of receipt of the information.

This bill would impose on hospitals that have not complied with the reporting requirements a fine of \$10 per licensed acute care bed per day, but in no case to exceed \$1,000 per day for each SPC-1 building that is not in compliance. This bill would require the penalty to be deposited into the Hospital Building Fund which is a continuous appropriations fund in the State Treasury, as prescribed.

(3) Existing law requires the office to submit prescribed information, including earthquake performance categories, to the California Building Standards Commission.

This bill would authorize the office to utilize current computer modeling based upon software developed by the Federal Emergency Management Agency, referred to as Hazards US, for the purpose of determining the structural performance category of general acute care hospital buildings, and would authorize the office to promulgate regulations to implement this provision. The bill would require that specified regulatory submissions made by the office to the California Building Standards Commission be deemed emergency regulations and be adopted as emergency regulations. This bill would repeal these provisions on January 1, 2013, as prescribed

(4) *This bill would incorporate additional changes in Section 130060 of the Health and Safety Code proposed by AB 523, that would become operative only if AB 523 and this bill are both chaptered and become effective on or before January 1, 2010, and this bill is chaptered last.*

~~Existing law establishes the California Major Risk Medical Insurance Program (MRMIP) that is administered by the Managed Risk Medical Insurance Board (MRMIB) to provide major risk medical coverage to eligible persons who have been rejected for coverage by at least one private health plan. Existing law creates the Major Risk Medical Insurance Fund for purposes of MRMIP.~~

~~Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires the deposit of fines and administrative penalties assessed against health care service plans in the Managed Care Administrative Fines and Penalties Fund. Beginning September 1, 2009, existing law requires that any amount over the first \$1,000,000 deposited in the fund be transferred to the Major Risk Medical Insurance Fund to be used, upon appropriation by the Legislature, for purposes of MRMIP.~~

~~This bill would require MRMIB to report to the Legislature no later than March 1, 2010, and annually thereafter, on the amount and use of moneys transferred to the Major Risk Medical Insurance Fund pursuant to that provision and the effect of those moneys on the waiting list for MRMIP.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 130022 is added to the Health and Safety
- 2 Code, to read:
- 3 130022. (a) *The office may utilize current computer modeling*
- 4 *based upon software developed by FEMA, referred to as Hazards*
- 5 *US, for the purpose of determining the structural performance*
- 6 *category of general acute care hospital buildings. The office may*
- 7 *promulgate regulations to implement this section.*
- 8 (b) *Regulatory submissions made by the office to the California*
- 9 *Building Standards Commission either pursuant to subdivision*
- 10 (a) *or for purposes of implementing conforming changes in*
- 11 *deadlines for compliance with any nonstructural performance*

1 *category requirements shall be deemed to be emergency*
2 *regulations and shall be adopted as such.*

3 *(c) This section shall remain in effect only until January 1, 2013,*
4 *and as of that date is repealed, unless a later enacted statute, that*
5 *is enacted before January 1, 2013, deletes or extends that date.*

6 SEC. 2. *Section 130060 of the Health and Safety Code is*
7 *amended to read:*

8 130060. (a) (1) After January 1, 2008, any general acute care
9 hospital building that is determined to be a potential risk of collapse
10 or pose significant loss of life shall only be used for nonacute care
11 hospital purposes. A delay in this deadline may be granted by the
12 office upon a demonstration by the owner that compliance will
13 result in a loss of health care capacity that may not be provided
14 by other general acute care hospitals within a reasonable proximity.
15 In its request for an extension of the deadline, a hospital shall state
16 why the hospital is unable to comply with the January 1, 2008,
17 deadline requirement.

18 (2) Prior to granting an extension of the January 1, 2008,
19 deadline pursuant to this section, the office shall do all of the
20 following:

21 (A) Provide public notice of a hospital's request for an extension
22 of the deadline. The notice, at a minimum, shall be posted on the
23 office's Internet Web site, and shall include the facility's name
24 and identification number, the status of the request, and the
25 beginning and ending dates of the comment period, and shall advise
26 the public of the opportunity to submit public comments pursuant
27 to subparagraph (C). The office shall also provide notice of all
28 requests for the deadline extension directly to interested parties
29 upon request of the interested parties.

30 (B) Provide copies of extension requests to interested parties
31 within 10 working days to allow interested parties to review and
32 provide comment within the 45-day comment period. The copies
33 shall include those records that are available to the public pursuant
34 to the Public Records Act, Chapter 3.5 (commencing with Section
35 6250) of Division 7 of Title 1 of the Government Code.

36 (C) Allow the public to submit written comments on the
37 extension proposal for a period of not less than 45 days from the
38 date of the public notice.

39 (b) (1) It is the intent of the Legislature, in enacting this
40 subdivision, to facilitate the process of having more hospital

1 buildings in substantial compliance with this chapter and to take
2 nonconforming general acute care hospital inpatient buildings out
3 of service more quickly.

4 (2) The functional contiguous grouping of hospital buildings of
5 a general acute care hospital, each of which provides, as the
6 primary source, one or more of the hospital's eight basic services
7 as specified in subdivision (a) of Section 1250, may receive a
8 five-year extension of the January 1, 2008, deadline specified in
9 subdivision (a) of this section pursuant to this subdivision for both
10 structural and nonstructural requirements. A functional contiguous
11 grouping refers to buildings containing one or more basic hospital
12 services that are either attached or connected in a way that is
13 acceptable to the State Department of Health *Care Services*. These
14 buildings may be either on the existing site or a new site.

15 (3) To receive the five-year extension, a single building
16 containing all of the basic services or at least one building within
17 the contiguous grouping of hospital buildings shall have obtained
18 a building permit prior to 1973 and this building shall be evaluated
19 and classified as a nonconforming, Structural Performance
20 Category-1 (SPC-1) building. The classification shall be submitted
21 to and accepted by the Office of Statewide Health Planning and
22 Development. The identified hospital building shall be exempt
23 from the requirement in subdivision (a) until January 1, 2013, if
24 the hospital agrees that the basic service or services that were
25 provided in that building shall be provided, on or before January
26 1, 2013, as follows:

27 (A) Moved into an existing conforming Structural Performance
28 Category-3 (SPC-3), Structural Performance Category-4 (SPC-4),
29 or Structural Performance Category-5 (SPC-5) and Non-Structural
30 Performance Category-4 (NPC-4) or Non-Structural Performance
31 Category-5 (NPC-5) building.

32 (B) Relocated to a newly built compliant SPC-5 and NPC-4 or
33 NPC-5 building.

34 (C) Continued in the building if the building is retrofitted to a
35 SPC-5 and NPC-4 or NPC-5 building.

36 (4) A five-year extension is also provided to a post 1973 building
37 if the hospital owner informs the Office of Statewide Health
38 Planning and Development that the building is classified as a
39 SPC-1, SPC-3, or SPC-4 and will be closed to general acute care
40 inpatient service use by January 1, 2013. The basic services in the

1 building shall be relocated into a SPC-5 and NPC-4 or NPC-5
2 building by January 1, 2013.

3 (5) Any SPC-1 buildings, other than the building identified in
4 paragraph (3) or (4), in the contiguous grouping of hospital
5 buildings shall also be exempt from the requirement in subdivision
6 (a) until January 1, 2013. However, on or before January 1, 2013,
7 at a minimum, each of these buildings shall be retrofitted to a
8 SPC-2 and NPC-3 building, or no longer be used for general acute
9 care hospital inpatient services.

10 (c) On or before March 1, 2001, the office shall establish a
11 schedule of interim work progress deadlines that hospitals shall
12 be required to meet to be eligible for the extension specified in
13 subdivision (b). To receive this extension, the hospital building or
14 buildings shall meet the year 2002 nonstructural requirements.

15 (d) A hospital building that is eligible for an extension pursuant
16 to this section shall meet the January 1, 2030, nonstructural and
17 structural deadline requirements if the building is to be used for
18 general acute care inpatient services after January 1, 2030.

19 (e) Upon compliance with subdivision (b), the hospital shall be
20 issued a written notice of compliance by the office. The office
21 shall send a written notice of violation to hospital owners that fail
22 to comply with this section. The office shall make copies of these
23 notices available on its Web site.

24 (f) (1) A hospital that has received an extension of the January
25 1, 2008, deadline pursuant to ~~subdivisions~~ *subdivision* (a) or (b)
26 may request an additional extension of up to two years for a
27 hospital building that it owns or operates *and that meets the criteria*
28 *specified in paragraph (2) or (3).*

29 (2) The office may grant the additional extension if the hospital
30 building subject to the extension meets all of the following criteria:

31 (A) The hospital building is under construction at the time of
32 the request for extension under this subdivision and the purpose
33 of the construction is to meet the requirements of subdivision (a)
34 to allow the use of the building as a general acute care hospital
35 building after the extension deadline granted by the office pursuant
36 to subdivision (a) or (b).

37 (B) The hospital building plans were submitted to the office
38 and were deemed ready for review by the office at least four years
39 prior to the applicable deadline for the building. The hospital shall
40 indicate, upon submission of its plans, the SPC-1 building or

1 buildings that will be retrofitted or replaced to meet the
2 requirements of this section as a result of the project.

3 (C) The hospital received a building permit for the construction
4 described in subparagraph (A) at least two years prior to the
5 applicable deadline for the building.

6 (D) The hospital submitted a construction timeline at least two
7 years prior to the applicable deadline for the building demonstrating
8 the hospital's intent to meet the applicable deadline. The timeline
9 shall include all of the following:

10 (i) The projected construction start date.

11 (ii) The projected construction completion date.

12 (iii) Identification of the contractor.

13 (E) The hospital is making reasonable progress toward meeting
14 the timeline set forth in subparagraph (D), but factors beyond the
15 hospital's control make it impossible for the hospital to meet the
16 deadline.

17 (3) *The office may grant the additional extension if the hospital*
18 *building subject to the extension meets all of the following criteria:*

19 (A) *The hospital owner submitted to the office, prior to June*
20 *30, 2009, a request for review using current computer modeling*
21 *utilized by the office and based upon software developed by the*
22 *Federal Emergency Management Agency, referred to as Hazards*
23 *US, and the building was deemed SPC-1 after that review.*

24 (B) *The hospital building plans for the building are submitted*
25 *to the office and deemed ready for review by the office prior to*
26 *July 1, 2010. The hospital shall indicate, upon submission of its*
27 *plans, the SPC-1 building or buildings that shall be retrofitted or*
28 *replaced to meet the requirements of this section as a result of the*
29 *project.*

30 (C) *The hospital receives a building permit from the office for*
31 *the construction described in subparagraph (B) prior to January*
32 *1, 2012.*

33 (D) *The hospital submits, prior to January 1, 2012, a*
34 *construction timeline for the building demonstrating the hospital's*
35 *intent and ability to meet the applicable deadline. The timeline*
36 *shall include all of the following:*

37 (i) *The projected construction start date.*

38 (ii) *The projected construction completion date.*

39 (iii) *Identification of the contractor.*

1 (E) *The hospital building is under construction at the time of*
2 *the request for the extension, the purpose of the construction is to*
3 *meet the requirements of subdivision (a) to allow the use of the*
4 *building as a general acute care hospital building after the*
5 *deadline extension granted by the office pursuant to subdivision*
6 *(a) or (b), and the hospital is making reasonable progress toward*
7 *meeting the timeline set forth in subparagraph (D).*

8 (F) *The hospital owner completes construction such that the*
9 *hospital meets all criteria to enable the office to issue a certificate*
10 *of occupancy by the applicable deadline for the building.*

11 ~~(3)~~

12 (4) A hospital denied an extension pursuant to this subdivision
13 may appeal the denial to the Hospital Building Safety Board.

14 ~~(4)~~

15 (5) The office may revoke an extension granted pursuant to this
16 subdivision for any hospital building where the work of
17 construction is abandoned or suspended for a period of at least one
18 year, unless the hospital demonstrates in a public document that
19 the abandonment or suspension was caused by factors beyond its
20 control.

21 SEC. 2.5. *Section 130060 of the Health and Safety Code is*
22 *amended to read:*

23 130060. (a) (1) After January 1, 2008, any general acute care
24 hospital building that is determined to be a potential risk of collapse
25 or pose significant loss of life shall only be used for nonacute care
26 hospital purposes. A delay in this deadline may be granted by the
27 office upon a demonstration by the owner that compliance will
28 result in a loss of health care capacity that may not be provided
29 by other general acute care hospitals within a reasonable proximity.
30 In its request for an extension of the deadline, a hospital shall state
31 why the hospital is unable to comply with the January 1, 2008,
32 deadline requirement.

33 (2) Prior to granting an extension of the January 1, 2008,
34 deadline pursuant to this section, the office shall do all of the
35 following:

36 (A) Provide public notice of a hospital's request for an extension
37 of the deadline. The notice, at a minimum, shall be posted on the
38 office's Internet Web site, and shall include the facility's name
39 and identification number, the status of the request, and the
40 beginning and ending dates of the comment period, and shall advise

the public of the opportunity to submit public comments pursuant to subparagraph (C). The office shall also provide notice of all requests for the deadline extension directly to interested parties upon request of the interested parties.

(B) Provide copies of extension requests to interested parties within 10 working days to allow interested parties to review and provide comment within the 45-day comment period. The copies shall include those records that are available to the public pursuant to the Public Records Act, Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

(C) Allow the public to submit written comments on the extension proposal for a period of not less than 45 days from the date of the public notice.

(b) (1) It is the intent of the Legislature, in enacting this subdivision, to facilitate the process of having more hospital buildings in substantial compliance with this chapter and to take nonconforming general acute care hospital inpatient buildings out of service more quickly.

(2) The functional contiguous grouping of hospital buildings of a general acute care hospital, each of which provides, as the primary source, one or more of the hospital's eight basic services as specified in subdivision (a) of Section 1250, may receive a five-year extension of the January 1, 2008, deadline specified in subdivision (a) of this section pursuant to this subdivision for both structural and nonstructural requirements. A functional contiguous grouping refers to buildings containing one or more basic hospital services that are either attached or connected in a way that is acceptable to the State Department of Health *Care Services*. These buildings may be either on the existing site or a new site.

(3) To receive the five-year extension, a single building containing all of the basic services or at least one building within the contiguous grouping of hospital buildings shall have obtained a building permit prior to 1973 and this building shall be evaluated and classified as a nonconforming, Structural Performance Category-1 (SPC-1) building. The classification shall be submitted to and accepted by the Office of Statewide Health Planning and Development. The identified hospital building shall be exempt from the requirement in subdivision (a) until January 1, 2013, if the hospital agrees that the basic service or services that were

1 provided in that building shall be provided, on or before January
2 1, 2013, as follows:

3 (A) Moved into an existing conforming Structural Performance
4 Category-3 (SPC-3), Structural Performance Category-4 (SPC-4),
5 or Structural Performance Category-5 (SPC-5) and Non-Structural
6 Performance Category-4 (NPC-4) or Non-Structural Performance
7 Category-5 (NPC-5) building.

8 (B) Relocated to a newly built compliant SPC-5 and NPC-4 or
9 NPC-5 building.

10 (C) Continued in the building if the building is retrofitted to a
11 SPC-5 and NPC-4 or NPC-5 building.

12 (4) A five-year extension is also provided to a post 1973 building
13 if the hospital owner informs the Office of Statewide Health
14 Planning and Development that the building is classified as a
15 SPC-1, SPC-3, or SPC-4 and will be closed to general acute care
16 inpatient service use by January 1, 2013. The basic services in the
17 building shall be relocated into a SPC-5 and NPC-4 or NPC-5
18 building by January 1, 2013.

19 (5) ~~Any~~ SPC-1 buildings, other than the building identified in
20 paragraph (3) or (4), in the contiguous grouping of hospital
21 buildings shall also be exempt from the requirement in subdivision
22 (a) until January 1, 2013. However, on or before January 1, 2013,
23 at a minimum, each of these buildings shall be retrofitted to a
24 SPC-2 and NPC-3 building, or no longer be used for general acute
25 care hospital inpatient services.

26 (c) On or before March 1, 2001, the office shall establish a
27 schedule of interim work progress deadlines that hospitals shall
28 be required to meet to be eligible for the extension specified in
29 subdivision (b). To receive this extension, the hospital building or
30 buildings shall meet the year 2002 nonstructural requirements.

31 (d) A hospital building that is eligible for an extension pursuant
32 to this section shall meet the January 1, 2030, nonstructural and
33 structural deadline requirements if the building is to be used for
34 general acute care inpatient services after January 1, 2030.

35 (e) Upon compliance with subdivision (b), the hospital shall be
36 issued a written notice of compliance by the office. The office
37 shall send a written notice of violation to hospital owners that fail
38 to comply with this section. The office shall make copies of these
39 notices available on its Web site.

(f) (1) A hospital that has received an extension of the January 1, 2008, deadline pursuant to ~~subdivisions~~ *subdivision* (a) or (b) may request an additional extension of up to two years for a hospital building that it owns or operates *and that meets the criteria specified in paragraph (2), (3), or (5).*

(2) The office may grant the additional extension if the hospital building subject to the extension meets all of the following criteria:

(A) The hospital building is under construction at the time of the request for extension under this subdivision and the purpose of the construction is to meet the requirements of subdivision (a) to allow the use of the building as a general acute care hospital building after the extension deadline granted by the office pursuant to subdivision (a) or (b).

(B) The hospital building plans were submitted to the office and were deemed ready for review by the office at least four years prior to the applicable deadline for the building. The hospital shall indicate, upon submission of its plans, the SPC-1 building or buildings that will be retrofitted or replaced to meet the requirements of this section as a result of the project.

(C) The hospital received a building permit for the construction described in subparagraph (A) at least two years prior to the applicable deadline for the building.

(D) The hospital submitted a construction timeline at least two years prior to the applicable deadline for the building demonstrating the hospital's intent to meet the applicable deadline. The timeline shall include all of the following:

(i) The projected construction start date.

(ii) The projected construction completion date.

(iii) Identification of the contractor.

(E) The hospital is making reasonable progress toward meeting the timeline set forth in subparagraph (D), but factors beyond the hospital's control make it impossible for the hospital to meet the deadline.

(3) *The office may grant the additional extension if the hospital building subject to the extension meets all of the following criteria:*

(A) *The hospital building is owned by a health care district that has, as owner, received the extension of the January 1, 2008, deadline, but where the hospital is operated by an unaffiliated third-party lessee pursuant to a facility lease that extends at least through December 31, 2009. The district shall file a declaration*

1 with the office with a request for an extension stating that, as of
2 the date of the filing, the district has lacked, and continues to lack,
3 unrestricted access to the subject hospital building for seismic
4 planning purposes during the term of the lease, and that the district
5 is under contract with the county to maintain hospital services
6 when the hospital comes under district control. The office shall
7 not grant the extension if an unaffiliated third-party lessee will
8 operate the hospital beyond December 31, 2010.

9 (B) The hospital building plans were submitted to the office and
10 were deemed ready for review by the office at least four years
11 prior to the applicable deadline for the building. The hospital shall
12 indicate, upon submission of its plans, the SPC-1 building or
13 buildings that will be retrofitted or replaced to meet the
14 requirements of this section as a result of the project.

15 (C) The hospital received a building permit for the construction
16 described in subparagraph (B) by December 31, 2011.

17 (D) The hospital submitted, by December 31, 2011, a
18 construction timeline for the building demonstrating the hospital's
19 intent and ability to meet the deadline of December 31, 2014. The
20 timeline shall include all of the following:

21 (i) The projected construction start date.

22 (ii) The projected construction completion date.

23 (iii) Identification of the contractor.

24 (E) The hospital building is under construction at the time of
25 the request for the extension, the purpose of the construction is to
26 meet the requirements of subdivision (a) to allow the use of the
27 building as a general acute care hospital building after the
28 extension deadline granted by the office pursuant to subdivision
29 (a) or (b), and the hospital is making reasonable progress toward
30 meeting the timeline set forth in subparagraph (D).

31 (F) The hospital granted an extension pursuant to this
32 paragraph shall submit an additional status report to the office,
33 equivalent to that required by subdivision (c) of Section 130061,
34 no later than June 30, 2013.

35 (4) An extension granted pursuant to paragraph (3) shall be
36 applicable only to the health care district applicant and its
37 affiliated hospital while the hospital is operated by the district or
38 an entity under the control of the district.

39 (5) The office may grant the additional extension if the hospital
40 building subject to the extension meets all of the following criteria:

1 (A) The hospital owner submitted to the office, prior to June
2 30, 2009, a request for review using current computer modeling
3 utilized by the office and based upon software developed by the
4 Federal Emergency Management Agency, referred to as Hazards
5 US, and the building was deemed SPC-1 after that review.

6 (B) The hospital building plans for the building are submitted
7 to the office and deemed ready for review by the office prior to
8 July 1, 2010. The hospital shall indicate, upon submission of its
9 plans, the SPC-1 building or buildings that shall be retrofitted or
10 replaced to meet the requirements of this section as a result of the
11 project.

12 (C) The hospital receives a building permit from the office for
13 the construction described in subparagraph (B) prior to January
14 1, 2012.

15 (D) The hospital submits, prior to January 1, 2012, a
16 construction timeline for the building demonstrating the hospital's
17 intent and ability to meet the applicable deadline. The timeline
18 shall include all of the following:

19 (i) The projected construction start date.

20 (ii) The projected construction completion date.

21 (iii) Identification of the contractor.

22 (E) The hospital building is under construction at the time of
23 the request for the extension, the purpose of the construction is to
24 meet the requirements of subdivision (a) to allow the use of the
25 building as a general acute care hospital building after the
26 extension deadline granted by the office pursuant to subdivision
27 (a) or (b), and the hospital is making reasonable progress toward
28 meeting the timeline set forth in subparagraph (D).

29 (F) The hospital owner completes construction such that the
30 hospital meets all criteria to enable the office to issue a certificate
31 of occupancy by the applicable deadline for the building.

32 ~~(3)~~

33 (6) A hospital denied an extension pursuant to this subdivision
34 may appeal the denial to the Hospital Building Safety Board.

35 ~~(4)~~

36 (7) The office may revoke an extension granted pursuant to this
37 subdivision for any hospital building where the work of
38 construction is abandoned or suspended for a period of at least one
39 year, unless the hospital demonstrates in a public document that

1 the abandonment or suspension was caused by factors beyond its
2 control.

3 *SEC. 3. Section 130061 of the Health and Safety Code is*
4 *amended to read:*

5 130061. (a) An owner of a general acute care hospital building
6 that is classified as a nonconforming Structural Performance
7 Category-1 (SPC-1) building, who has not requested an extension
8 of the deadline described in subdivision (a) or (b) of Section
9 130060, shall submit a report to the office no later than April 15,
10 2007, describing the status of each building in complying with the
11 requirements of Section 130060. The report shall identify at least
12 all of the following:

13 (1) Each building that is subject to subdivision (a) of Section
14 130060.

15 (2) The project number or numbers for retrofit or replacement
16 of each building.

17 (3) The projected construction start date or dates and projected
18 construction completion date or dates.

19 (4) The building or buildings to be removed from acute care
20 service and the projected date or dates of this action.

21 (b) An owner of a general acute care hospital building that is
22 classified as a nonconforming, Structural Performance Category-1
23 (SPC-1) building, who has requested an extension of the deadline
24 described in subdivision (a) or (b) of Section 130060, shall submit
25 a report to the office no later than June 30, 2009, describing the
26 status of each building in complying with the requirements of
27 Section 130060. The report shall identify, at a minimum, all of the
28 following:

29 (1) Each building that is subject to subdivision (a) of Section
30 130060.

31 (2) The project number or numbers for retrofit or replacement
32 of each building.

33 (3) The projected construction start date or dates and projected
34 construction completion date or dates.

35 (4) The building or buildings to be removed from acute care
36 service and the projected date or dates of that action.

37 (c) An owner of a general acute care hospital building that is
38 classified as a nonconforming, Structural Performance Category-1
39 (SPC-1) building, ~~who has requested an extension of the deadline~~
40 ~~described in subdivision (a) or (b) of Section 130060,~~ shall submit

1 a report to the office no later than ~~June 30, 2011~~ *November 1, 2010*,
2 describing the status of each building in complying with the
3 requirements of Section 130060, *and annually thereafter shall*
4 *update the office with any changes or adjustments.* The report shall
5 identify at least all of the following:

6 ~~(1) Each building that is subject to subdivision (a) of Section~~
7 ~~130060.~~

8 ~~(2) The project number or numbers for retrofit or replacement~~
9 ~~of each building.~~

10 ~~(3) The projected construction start date or dates and projected~~
11 ~~construction completion date or dates.~~

12 ~~(4) The building or buildings to be removed from acute care~~
13 ~~service and the projected date or dates of that action.~~

14 ~~(d) The office shall make the information required by~~
15 ~~subdivisions (a), (b), and (c) available on its Web site within 90~~
16 ~~days of receipt of this information.~~

17 *(1) For each building that is subject to subdivision (a) of Section*
18 *130060 that is planned for retrofit or replacement, the report shall*
19 *identify:*

20 *(A) Whether the hospital owner intends to retrofit or replace*
21 *the building to SPC-2, SPC-3, SPC-4, or SPC-5.*

22 *(B) The deadline, as described in Section 130060 or 130061.5,*
23 *for retrofit or replacement of the building that the hospital owner*
24 *intends to meet, and the applicable extension for which the hospital*
25 *owner has been approved.*

26 *(C) The project number or numbers for retrofit or replacement*
27 *of each building.*

28 *(D) The projected construction start date or dates and projected*
29 *construction completion date or dates.*

30 *(E) The most recent project status and approvals.*

31 *(F) The number of inpatient beds and patient days, by type of*
32 *unit and type of service to be provided.*

33 *(2) For the building or buildings to be removed from acute care*
34 *service, the following information shall be included:*

35 *(A) The projected date or dates the building will be removed*
36 *from service.*

37 *(B) The planned uses of the building or buildings to be removed*
38 *from acute care service.*

39 *(C) The inpatient services currently delivered in the building*
40 *or buildings.*

1 (D) *The number of inpatient beds and patient days, by type of*
2 *unit and type of service, for the years 2008, 2009, and 2010.*

3 (E) *Whether the general acute care services and beds will be*
4 *relocated to a new or retrofitted building and any corresponding*
5 *building sites or project numbers.*

6 (3) *Each hospital owner shall also report, for each facility for*
7 *which any buildings will be removed from acute care service, any*
8 *net change in the number of inpatient beds, by type of unit and*
9 *type of service, taking into account beds provided in buildings to*
10 *be taken out of service, beds provided in buildings to be retrofitted*
11 *or replaced, and beds provided in any other buildings used for*
12 *general acute care inpatient services by the facility.*

13 (4) *Each hospital owner shall report any general acute care*
14 *hospital inpatient service that is provided in any general acute*
15 *care hospital building that is rated SPC-1.*

16 (5) *Each hospital owner shall report the final configuration of*
17 *all buildings on its campus showing how each building will comply*
18 *with the SPC-5/NPC 4 or 5 requirements, whether by retrofit or*
19 *by replacement, and the type of services that will be provided in*
20 *each general acute care hospital building.*

21 (d) *The office shall make the information required by*
22 *subdivisions (a) and (b), available on its Internet Web site within*
23 *90 days of receipt of this information.*

24 (e) *The office shall make the information required by subdivision*
25 *(c) available on its Internet Web site within 90 days of receipt of*
26 *this information. The office shall include the hospital name,*
27 *hospital owners, and location of the buildings included in the*
28 *report, and, to the extent possible, for service areas containing*
29 *buildings for which hospital owners report information pursuant*
30 *to subdivision (c), include information on the number of inpatient*
31 *beds, by type of unit and type of service, provided by facilities*
32 *operating buildings that are classified as SPC-2, SPC-3, SPC-4,*
33 *and SPC-5.*

34 ~~(e)~~

35 (f) *Hospitals that have not reported pursuant to this section are*
36 *not eligible for the extension provided in subdivision (f) of Section*
37 *130060.*

38 (g) *A hospital that has not submitted a report pursuant to this*
39 *section shall be assessed a fine of ten dollars (\$10) per licensed*
40 *acute care bed per day, but in no case to exceed one thousand*

1 dollars (\$1,000) per day for each SPC-1 building not in compliance
2 with this section until it has complied with the provisions of this
3 section. These fines shall be deposited into the Hospital Building
4 Fund as specified pursuant to Section 129795. A hospital assessed
5 a fine pursuant to this section may appeal the assessment to the
6 Hospital Building Safety Board.

7 SEC. 4. Section 2.5 of this bill incorporates amendments to
8 Section 130060 of the Health and Safety Code proposed by this
9 bill and Assembly Bill 523. It shall only become operative if (1)
10 both bills are enacted and become effective on or before January
11 1, 2010, (2) each bill amends Section 130060 of the Health and
12 Safety Code, and (3) this bill is enacted after Assembly Bill 523,
13 in which case Section 130060 of the Health and Safety Code, as
14 amended by Assembly Bill 523, shall remain operative only until
15 the operative date of this bill, at which time Section 2.5 of this bill
16 shall become operative, and Section 2 of this bill shall not become
17 operative.

18 ~~SECTION 1. Section 1341.45 of the Health and Safety Code~~
19 ~~is amended to read:~~

20 ~~1341.45. (a) There is hereby created in the State Treasury the~~
21 ~~Managed Care Administrative Fines and Penalties Fund.~~

22 ~~(b) The fines and administrative penalties collected pursuant to~~
23 ~~this chapter, on and after the operative date of this section, shall~~
24 ~~be deposited into the Managed Care Administrative Fines and~~
25 ~~Penalties Fund.~~

26 ~~(c) The fines and administrative penalties deposited into the~~
27 ~~Managed Care Administrative Fines and Penalties Fund shall be~~
28 ~~transferred by the department, beginning September 1, 2009, and~~
29 ~~annually thereafter, as follows:~~

30 ~~(1) The first one million dollars (\$1,000,000) shall be transferred~~
31 ~~to the Medically Underserved Account for Physicians within the~~
32 ~~Health Professions Education Fund and shall, upon appropriation~~
33 ~~by the Legislature, be used for the purposes of the Steven M.~~
34 ~~Thompson Physician Corps Loan Repayment Program, as specified~~
35 ~~in Article 5 (commencing with Section 128550) or Chapter 5 of~~
36 ~~Part 3 of Division 107 and, notwithstanding Section 128555, shall~~
37 ~~not be used to provide funding for the Physician Volunteer~~
38 ~~Program.~~

39 ~~(2) Any amount over the first one million dollars (\$1,000,000),~~
40 ~~including accrued interest, in the fund shall be transferred to the~~

1 ~~Major Risk Medical Insurance Fund created pursuant to Section~~
2 ~~12739 of the Insurance Code and shall, upon appropriation by the~~
3 ~~Legislature, be used for the California Major Risk Medical~~
4 ~~Insurance Program for the purposes specified in Section 12739.1~~
5 ~~of the Insurance Code.~~
6 ~~(d) Notwithstanding subdivision (b) of Section 1356 and Section~~
7 ~~1356.1, the fines and administrative penalties authorized pursuant~~
8 ~~to this chapter shall not be used to reduce the assessments imposed~~
9 ~~on health care service plans pursuant to Section 1356.~~
10 ~~(e) The Managed Risk Medical Insurance Board shall report to~~
11 ~~the Legislature no later than March 1, 2010, and annually thereafter,~~
12 ~~on the amount and use of moneys transferred to the Major Risk~~
13 ~~Medical Insurance Fund pursuant to this section and the effect of~~
14 ~~these moneys on the waiting list for the California Major Risk~~
15 ~~Medical Insurance Program.~~